

Appendix 4 Procurement Procedure

The Council are proposing two different procurement routes, one for the responsive repairs and one for the Gas related services.

The proposed procurement route for responsive repairs is Competitive Procedure with Negotiation the proposed procurement route for Gas services is the Restricted Procedure.

The advantages and disadvantages of these options along with the open procedure and procuring off a framework are considered in the table below:

Option Summary	Pros	Cons
Open Procedure (Not Recommended)	<ul style="list-style-type: none"> • Quick route to market • Most suitable for a single contractor delivering a similar scope to the current Contract 	<ul style="list-style-type: none"> • If works are packaged up into smaller contracts it may be less attractive to some Contractors • Potential to receive high volume of bids adding in time and cost • Does not allow refinement/changes once tenders submitted (versus CPN)
Procure via a compliant framework (Not Recommended)	<ul style="list-style-type: none"> • Quickest route to market than open procurement whilst still ensuring competitive element. • Standardised framework contract and documentation that can be used which speeds up the procurement process and reduces costs • Experience of monitoring and managing external contractors is already retained within the Council. • Using a compliant framework is permitted under PCR 2015. This would reduce the risk of challenge. • This would be a PCR compliant route and is unlikely to be challenged. 	<ul style="list-style-type: none"> • Limited pool of contractors on framework may reduce competition and exclude local organisations not on the framework. On review of frameworks there was no framework identified that included an optimum list of contractors, therefore some potential suppliers would be excluded from the process. • Limits the ability to incorporate bespoke Council requirements, or if large bespoke requirements are incorporated negates the time advantage of using the framework. • Management styles and philosophies may differ from Council's view. • There is a fee that needs to be paid to the framework operator that this length and value of

		<p>contract would be material over the life of the contract.</p> <ul style="list-style-type: none"> • Frameworks do not work well within Section 20 legislation and therefore there is a small risk of challenge.
<p>Restricted (Recommended Option for Gas Services)</p>	<ul style="list-style-type: none"> • Likely to be preferred by suppliers and generate more interest. • Allows for changes to the contract structure and design from the present • Allows Council resources to be spread across a longer timescale • Strong supplier preference for this approach came out of the soft market testing for the Gas Services. 	<ul style="list-style-type: none"> • Excluding bidders at shortlisting stage potentially reduces amount of competition • Does not allow refinement/changes once tenders submitted (versus CPN)
<p>Competitive Procedure with Negotiation (CPN) (Recommended for Responsive Repairs Services)</p>	<ul style="list-style-type: none"> • The most flexible process allowing for supplier innovations and negotiation • Enables contract structure and related document to be refined and should result in better outcomes • Strong supplier preference for this approach came out of the soft market testing for the responsive repairs element. 	<ul style="list-style-type: none"> • Process takes longer and is most risky on timings, currently no/very little float in timeline • Assumed a light touch CPN so may not gain full benefit of the process • Highest complexity leading to increased advisor and legal costs

Overall, due to the complexity, length of contract and value of the responsive repairs element it was felt that CPN would deliver the best outcome for the Council and the ability to meet the contractors to allow refinement of bids would be beneficial. For responsive repairs CPN is the recommended option. However, the timeline for this is the most compressed. There are two mitigations for this, the first is that CPN allows the Council to directly award after initial bids are received without a negotiation and final bid stage, should the Council receive excellent bids this could be the approach taken. The second mitigation is should there be a delay to the timeline prior to the Find a Tender Service (FTS) notice being published then the Council could revert to a restricted procedure instead. This report is recommending that this decision be delegated to the Chair of CCB, in consultation with the Deputy Mayor, the Corporate Director of Housing and Corporate Director of Resources and S.151 Officer

The Gas Servicing is a more traditional service with less uncertainty. In addition, the soft market testing suggested suppliers would prefer the Restricted Process. For these reasons the Restricted procedure is recommended for Gas Services.

Consideration has been given to the advantages and disadvantages of having two separate procurement processes rather than one. The disadvantages are that it creates additional documentation requirements, notice publications, evaluation etc and that there is no opportunity to restrict or compare bids across the two procurements. However, the main advantages are it minimises resources required for Negotiation as no negotiation will be required for gas servicing element and it allows a phasing of the procurements so that responsive repairs procurement will commence in advance of the Gas Servicing which will help resources to be smoothed. Overall, the recommendation of two separate procurements is considered optimum to help manage its resources more effectively than a combined procurement.